GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4264
ANSWERED ON:12.12.2016
Purchase of Stake in GSPC KG Basin
Kharge Shri Mallikarjun ;Maragatham Smt. K.;Reddy Shri Ponguleti Srinivasa

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to merge Oil and Natural Gas Corporation Limited with State Oil Public Sector Undertakings to compete with global giants in this field and to lay a pipeline for transportation of petroleum products;

(b) if so, the details thereof along with any evaluation made by the Government in this regard;

(c) whether the Government also proposes to merge Gujarat State Petroleum Corporation Limited (GSPC) with Oil and Natural Gas Corporation Limited and if so, the details thereof along with the likely benefits of the said merger;

(d) whether the proposed merger between the two companies is likely to help in reduction of huge debt of GSPC and if so, the details thereof;

(e) whether ONGC proposes to buy stake in GSPC"s Krishna-Godavari Basin and have signed a Memorandum of Understanding with GSPC in this regard and if so, the details thereof; and

(f) whether the Public Sector Oil companies are not keen to transport their products through pipelines thereby facilitating the oil tankers lobby and if so, the details thereof along with the steps taken in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) to (e): There is no proposal under consideration of the Government to merge Oil and Natural Gas Corporation Limited with State Oil Public Sector Undertakings. However, in one such area, namely, KG-OSN-2001/3, allotted to GSPC and its Joint Venture partners, GSPC has approached ONGC for farming out certain stake. Towards this a non-binding Memorandum of Understanding has been signed between ONGC and GSPC on 04th October, 2016.

(f): Public Sector Oil Companies endeavor to transport their products at optimum cost. Pipelines are most reliable, cost effective and environment friendly mode of transportation of petroleum products. Oil Marketing Companies (OMCs) have been expanding their pipeline network wherever possible. However, laying pipelines for short distances is not cost effective due to very high initial investment. Therefore, supply of petroleum product to nearby customers is done through oil tankers.